

WEEKLY ECONOMIC REVIEW

February 29, 2008

In 2007, Alberta continued to top the country with the highest average weekly earnings of \$837.39. During the year, average weekly earnings were up 4.7% from 2006, the strongest growth in Canada. The highest wage increases were in arts, entertainment and recreation (+12.3%) and accommodation and food services (+9.5%). Nationally, average weekly earnings rose 3.2% to \$770.63 in 2007 from 2006.

Public and private sector investment in Alberta is expected to rise 3.8% to \$83.8 billion in 2008 from 2007, according to Statistics Canada. Capital investment in non-conventional oil and gas extraction, mostly Alberta's oil sands, is forecast to reach \$19.7 billion, a 23.0% increase from 2007. Nationally, capital investment is expected to remain robust in 2008, increasing 5.2% from 2007.

Tuesday's federal budget forecast slower economic growth in Canada, with the U.S. slumping, the world economy slowing and tight credit markets continuing. According to the federal government, the economy will grow only 1.7% in 2008 and 2.4% in 2009.

Canada recorded a current account deficit of \$513 million in the fourth quarter of 2007, its first deficit since the second quarter of 1999. For all of 2007, the surplus narrowed sharply to \$14.2 billion from \$23.6 billion in

↑	Cdn Dollar (US¢/CS)		
	February 29, 2008		102.06
	February 22, 2008		98.46
	2007-08 YTD		96.87
↑	WTI Oil US\$/bbl		
	February 28, 2008	\$	102.59
	February 21, 2008	\$	98.23
	2007-08 YTD	\$	79.91
↑	Nymex Natural Gas CS/MMBtu *		
	March Contract		
	February 29, 2008	\$	9.09
	February 22, 2008	\$	8.90
*Estimate based on Nymex Futures Market Price			

2006, as a strong Canadian dollar cut into demand for exports.

Although the industrial product price index rose 0.9% in January from December, the index edged down 0.1% on a twelve-month basis, its fourth consecutive decline. Decreases in the prices for motor vehicles and primary metal products drove the decline. Raw materials prices surged 17.3% in January from a year earlier, driven primarily by higher prices for mineral fuels and vegetable products.

Canadian dollar was up 3.6 US cents during this week, due mainly to record high oil prices and a weaker U.S. dollar.

On Thursday, oil prices hit a record close of US\$102.59 per barrel because of a sharp decline in the U.S. dollar and ongoing supply concerns.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(V/Y)	Year-to-date ¹
Average Weekly Earnings (\$)²				
Alberta	December	0.7%	4.3%	4.7%
Canada		-0.1%	3.1%	3.2%
Industrial Product Price Index				
Canada	January	0.9%	-0.1%	-0.1%
Raw Materials Price Index				
Canada	January	3.4%	17.3%	17.3%

Source: Statistics Canada.

¹Year-to-date compared to the same period in the previous year ²Seasonally adjusted